

## INTRODUCTION

The mission of the Division of Power and Light is to provide reliable, low-cost electric service to more than 48,000 customers in Danville and the surrounding area, which covers a 500 square mile territory. The budget for the Customer Services Division, which handles initial requests for utility services, meter reading, and customer billing, is included in this fund.

The Division of Power and Light is the largest of the 14 municipal electric systems in the Commonwealth of Virginia and one of over 2,000 in the United States. The electric system was formed in 1886 and is one of the oldest in the country. It was the first system to own its generating facilities. This occurred in its first year of operation when the system served only 59 streetlights.

## BUDGET HIGHLIGHTS

The Electric Fund has been balanced for FY02/03 without a rate increase.

The electric fund is the largest and most complex of the utility funds. It is also the most profitable as defined by amount of contribution to the General Fund.

Electric sales are projected to increase approximately \$556,000 or 1.75%. This fund continues to experience slow, steady growth due, in large part, to new customers in the suburbs and county areas outside the city limits. Other income is down approximately \$143,000 or 16.2%. This is due to lower interest rate and earning on unexpended CIP funds; primarily the AEP refunds, received and appropriated in recent years.

Purchase power expense is projected to increase approximately \$556,000 or 1.9%. This is the result of growth in kWh sales outlined above and projected transmission or "wheeling" costs.

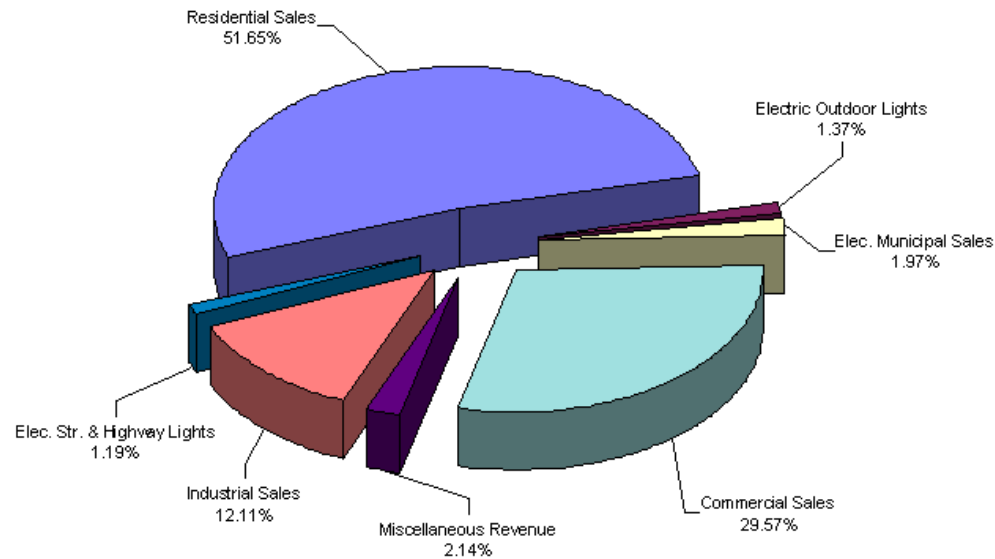
Other operations, maintenance, and capital expenditures (net of depreciation) are only slightly lower by approximately \$34,000 reflecting a continued emphasis on providing and maintaining a reliable distribution infrastructure.

Contribution to the General Fund is estimated at \$8,210,499, reflecting an increase of \$224,398, which is offset by a decrease of the same amount from the Gas Fund. This contribution to the General Fund represents a fair return to our "stockholders".

The Danville Utilities Commission reviewed and approved the proposed Electric Fund operating budget.

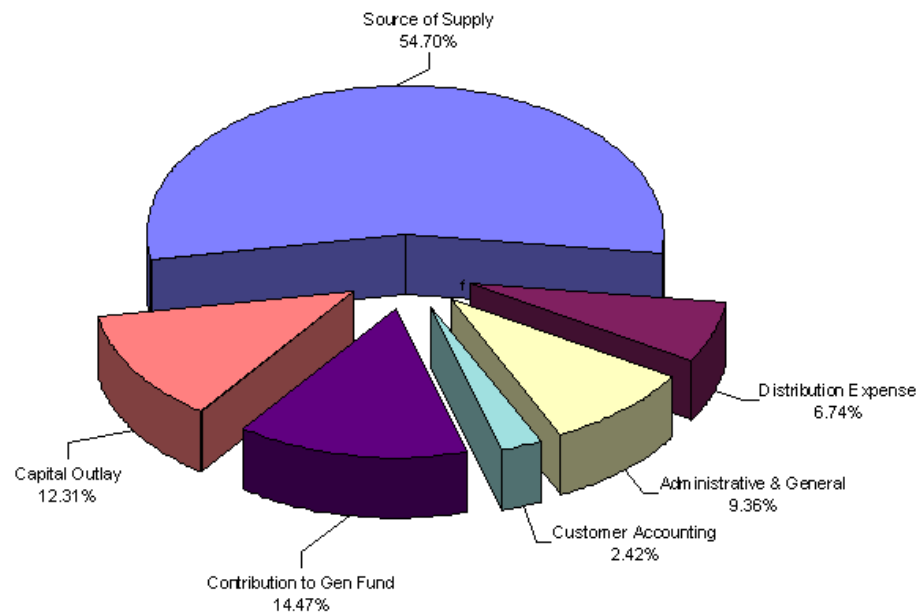
Calculation of Contribution To (From) General Fund			
		<b>F/Y 01/02</b>	<b>F/Y 02/03</b>
<b>Revenues</b>		\$ 52,742,709	\$ 53,686,581
<b>Total Operating Expenses</b>		(39,791,078)	(40,726,666)
Net Operating Income (Loss)		\$ 12,951,631	\$ 12,959,915
Add:			
Depreciation		2,810,000	3,060,000
Deduct:			
Debt Service Principal		767,986	821,871
Capital Expenditures from			
Current Operating Funds		7,007,632	6,987,633
Contribution To (From) - City's General Fund		\$ 7,986,013	\$ 8,210,411
Capital Projects:			
Regular Capital Improvements		\$ 4,619,282	\$ 4,586,783
General Plant Improvements		73,350	85,850
Pinnacles - Pipeline Replacement		590,000	590,000
Strategic Plan Improvements		1,725,000	1,725,000
Total		\$ 7,007,632	\$ 6,987,633
Cyber Park Development-Capital Reserve			\$ 812,002

Cyber Park Development-Capital Reserve				\$	812,002
Cyber Park Development-EDA Grant					689,175
Cyber Park Development-Pittsylvania County					211,513
Total Cyber Park Dev.				\$	1,712,690



## REVENUES

	Council Adopted FY 02-03	City Mgr. Recommnd FY 02-03	Dept. Requested FY 02-03	Budgeted FY 01-02	Actual FY 00-01	Actual FY 99-00
<b>Revenues</b>						
Residential Sales	27,734,377	27,734,377	27,734,377	27,154,179	27,344,270	27,555,857
Commercial Sales	15,873,228	15,873,228	15,873,228	15,600,224	15,143,875	15,454,955
Industrial Sales	6,500,659	6,500,659	6,500,659	6,388,854	6,159,037	6,091,373
Electric Outdoor Lights	734,723	734,723	734,723	722,086	717,878	713,217
Elec. Str. & Highway Lights	637,648	637,648	637,648	626,748	628,225	624,805
Elec. Municipal Sales	1,059,416	1,059,416	1,059,416	1,041,128	1,037,915	1,059,507
Miscellaneous Revenue	1,146,530	1,146,530	1,146,530	1,209,490	3,963,590	4,220,010
<b>Total</b>	<b>\$ 53,686,581</b>	<b>\$ 53,686,581</b>	<b>\$ 53,686,581</b>	<b>\$ 52,742,709</b>	<b>\$ 54,994,790</b>	<b>\$ 55,819,724</b>



**EXPENDITURES BY FUNCTION**

	Council Adopted FY 02-03	City Mgr. Recommend FY 02-03	Dept. Requested FY 02-03	Budgeted FY 01-02	Actual FY 00-01	Actual FY 99-00
<b>Expenditures by Function</b>						
Source of Supply	\$ 31,037,097	\$ 31,037,097	\$ 31,037,097	\$ 30,476,089	\$ 28,548,923	\$ 29,042,124
Distribution Expense	3,827,029	3,827,029	3,827,029	3,691,534	3,523,925	3,389,261
Customer Accounting	1,371,279	1,371,279	1,371,279	1,393,198	1,247,134	1,300,482
Administrative & General	5,313,132	5,313,132	5,313,132	4,998,243	4,775,955	4,551,425
Transfer To (From) General Fund	8,210,411	8,210,411	8,210,411	7,986,013	9,036,013	9,571,190
Capital Outlay	6,987,633	6,987,633	6,987,633	7,017,632	3,652,329	3,804,744
<b>Total</b>	<b>\$ 56,746,581</b>	<b>\$ 56,746,581</b>	<b>\$ 56,746,581</b>	<b>\$ 55,562,709</b>	<b>\$ 50,784,279</b>	<b>\$ 51,659,226</b>

	Council Adopted FY 02-03	City Mgr. Recommend FY 02-03	Dept. Requested FY 02-03	Budgeted FY 01-02	Actual FY 00-01	Actual FY 99-00
Expenditures by Activity						
Personal Services	\$ 3,515,962	\$ 3,515,962	\$ 3,515,962	\$ 3,559,852	\$ 2,983,359	\$ 3,021,236
Supplies & Services	32,424,515	32,424,515	32,424,515	31,731,105	29,957,287	30,332,202
Vehicle & Equip. Expense	250,025	250,025	250,025	250,507	301,076	265,390
Other Charges	4,054,479	4,054,479	4,054,479	3,713,622	3,437,442	3,388,040
Debt Services	1,303,556	1,303,556	1,303,556	1,303,978	1,416,773	1,276,424
Contribution to General Fund	8,210,411	8,210,411	8,210,411	7,986,013	9,036,013	9,571,190
Capital Outlay	6,987,633	6,987,633	6,987,633	7,017,632	3,652,329	3,804,744
<b>Total</b>	<b>\$ 56,746,581</b>	<b>\$ 56,746,581</b>	<b>\$ 56,746,581</b>	<b>\$ 55,562,709</b>	<b>\$ 50,784,279</b>	<b>\$ 51,659,226</b>

AUTHORIZED POSITIONS				PAY RANGE	
			Class		
FY 02-03	FY 01-02	CLASSIFICATION	Code	MIN(\$)	MAX(\$)
		<b>Source of Supply</b>			
1	1	Hydro-Electric Supt.	5009	40,063	60,927
1	1	Hydro-Electric Maint. Sup v.	5007	31,416	47,732
4	4	Hydro-Electric Operator	5005	21,260	32,324
2	2	Hydro-Electric Attendant	5001	20,245	30,794
1	1	Utility Plant Mechanic	4102	23,443	35,634
		<b>Distribution Expense</b>			
1	1	Electric T & D Equipment Technician	5212	27,137	41,250
1	1	Senior Electric Engineer	5539	53,688	81,654
1	1	Electrical Engineer	5537	44,185	67,158
1	1	Electrical Engineering Supervisor	5535	34,636	52,641
1	1	Electric Compliance Technician	5534	29,907	45,449
7	7	Combination of:			
		Electric Senior Engineering Technician	5532	25,853	39,286
		Electric Engineering Technician	5531	23,443	35,634
		Electric Engineering Aide	5521	18,353	27,918
		Utilities Chief Accountant	5695	44,185	67,158
1	1	Electric Drafting/GIS Technician	5525	23,443	35,634
1	1	Electric Dispatcher	5511	17,497	26,594
1	1	Electric Meter Supervisor	5429	32,969	50,129
6	6	Combination of:			
		Electric Meter Technician I	5411	20,245	30,794
		Electric Meter Technician II	5413	23,443	35,634
		Electric Meter Technician III	5415	25,853	39,286
		Electric Meter Servicer	5405	19,278	29,334
1	1	Tree Trimmer Supervisor	5315	25,853	39,286
4	4	Tree Trimmer	5311	20,245	30,794
1	1	Electric Substation Superintendent	5219	44,185	67,158
1	1	Electric Substation Supervisor	5215	32,969	50,129
4	4	Electric Substation Technician	5213	27,137	41,250
4	4	Electric Substation Operator	5211	23,443	35,634

AUTHORIZED POSITIONS				PAY RANGE	
			Class		
FY 02-03	FY 01-02	CLASSIFICATION	Code	MIN(\$)	MAX(\$)
1	1	Electric Distribution Superintendent	5119	44,185	67,158
5	5	Electric Line Crew Supervisor	5115	32,969	50,129
20	20	Combination of:			
		Electric Line Technician III	5113	29,907	45,449
		Electric Line Technician II	5112	27,137	41,250
		Electric Line Technician I	5111	24,614	37,414
4	4	Electric Line Equipment Operator	5103	20,245	30,794
2	2	Electric Ground Worker	5101	18,353	27,918
1	1	Warehouse Supervisor	3205	29,907	45,449
2	2	Warehouse Stock Clerk	3201	17,497	26,594
1	1	Custodian	3001	14,390	21,869
1	1	Senior Office Assistant	1005	18,353	27,918
		Customer Accounting			
1	1	Customer Service Director	1149	36,347	55,266
1	1	Meter Reader Supervisor	1147	29,907	45,449
4	4	Senior Meter Reader	1142	20,245	30,794
6	6	Meter Reader	1141	18,353	27,918
1	1	Customer Service Supervisor	1139	29,907	45,449
7	7	Customer Service Clerk	1135	18,353	27,918
1	1	Special Billing Clerk	1133	19,278	29,334
5	5	Utility Billing Clerk	1131	17,497	26,594
		Administrative and General			
1	1	Utility General Manager	5999	75,556	114,868
1	1	Director of Power & Light	5699	56,367	90,008
1	1	Key Accounts Manager	5690	42,091	63,963
1	1	Fiscal Services Supervisor	5431	32,969	50,129
1	1	Account Clerk	1201	19,278	29,334
2	2	Senior Secretary	1009	21,260	32,324
115	115	Total Authorized Positions			